

Message Text

UNCLASSIFIED

PAGE 01 TAIPEI 01938 080055Z
ACTION OPIC-06

INFO OCT-01 EA-09 ISO-00 EB-08 /024 W
-----081406Z 112636 /30
R 080023Z APR 77
FM AMEMBASSY TAIPEI
TO SECSTATE WASHDC 3102

UNCLAS TAIPEI 1938

E.O. 11652: N/A
TAGS: EINV, TW
SUBJECT: VISIT OF OPIC OFFICIALS

REF: TAIPEI 1320

1. OPIC PRESIDENT MARSHALL MAYS AND INSURANCE OFFICER LEIGH HOLLYWOOD

VISITED TAIWAN FROM APRIL 3 TO APRIL 7, 1977. THEIR SCHEDULE INCLUDED A CALL ON THE AMBASSADOR, A BREAKFAST MEETING WITH THE AMERICAN CHAMBER OF COMMERCE, AND MEETINGS WITH THE EXECUTIVE SECRETARY OF THE ROC FOREIGN INVESTMENT COMMISSION (C.O.KUO) AND DIRECTOR OF THE INDUSTRIAL DEVELOPMENT AND INVESTMENT CENTER OF THE MINISTRY OF ECONOMIC AFFAIRS (LAWRENCE LU). THE VISITORS ALSO CALLED ON REPRESENTATIVES OF TWO US-INVESTED FIRMS: ROBERT C. JAGEL, PRESIDENT OF CHINA AMERICAN PETROCHEMICAL CO. (AMOCO), AND JAMES SMITH, PRESIDENT OF CHINA GULF OIL. THEY VISITED THE FACTORIES OF RCA-TAIWAN AND ROC-SPICER LTD. (DANA CORP.) IN TAOYUAN.

2. IN RESPONSE TO QUESTIONS AT THE AMCHAM BREAKFAST MEETING, MAYS SAID THAT THE FOREIGN ASSISTANCE ACT AUTHORIZES OPIC TO OPERATE IN FRIENDLY "COUNTRIES AND AREAS." THUS, THERE IS NO STATUTORY REASON WHY OPIC COULD NOT CONTINUE ITS PROGRAM IN TAIWAN AFTER NORMALIZATION, IF THE PRESIDENT CONSIDERS IT APPROPRIATE. HE ADDED THAT THERE IS AMPLE SCOPE FOR WRITING ADDITIONAL INSURANCE ON INVESTMENTS IN TAIWAN SINCE THE VALUE OF CURRENT CONTRACTS IS ABOUT \$200 MILLION BELOW OPIC'S INFORMAL COUNTRY CEILING.

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(HE EXPLAINED THAT OPIC ORDINARILY WILL INSURE INVESTMENTS IN INDIVIDUAL COUNTRIES FOR AMOUNTS UP TO 10 PERCENT OF THE VALUE OF WORLDWIDE CONTRACTS.) MAYS ALSO INDICATED THAT OPIC IS PREPARED TO INCLUDE TAIWAN IN ITS PROJECT LOAN PROGRAM ALTHOUGH THE PROGRAM IS DESIGNED PRIMARILY FOR THE POOREST LDC'S.

3. AT THE FOREIGN INVESTMENT COMMISSION, MAYS BROUGHT UP THE

QUESTION OF NON-ISSUANCE OF FGA'S (FOREIGN GOVERNMENT APPROVALS)
IN CASES INVOLVING OPIC INSURANCE OF INVESTMENT REPRESENTED BY
A US PARENT COMPANY GUARANTY OF A COMMERCIAL BANK LOAN. IT
DEVELOPED THAT THIS PROBLEM RESULTED FROM A MISUNDERSTANDING OF
THE OPIC PROGRAM AND IT WAS AGREED THAT THE EMBASSY WOULD CLARIFY
THE SITUATION IN A LETTER TO THE VICE MINISTER OF ECONOMIC
AFFAIRS. (THE LETTER WAS SENT ON APRIL 6.)
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Disposition Approved on Date:
Disposition Case Number: n/a
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